

**Needham Finance Committee  
Minutes of Meeting of June 20, 2018**

The meeting of the Finance Committee was called to order by Chair Richard Reilly, at approximately 6:30 pm in the Selectmen's Chambers at the Town Hall.

Present from the Finance Committee:

Richard Reilly, Chair; Barry Coffman, Vice Chair

Members: Tom Jacob, Rick Lunetta, John Connelly, Louise Miller, Carol Smith-Fachetti

Others present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Finance Director

Dan Gutekanst, Superintendent of Schools

Anne Gulati, Assistant Superintendent for Finance & Operations

**Citizen Requests**

There were no requests to address the Committee.

**Approval of Minutes of Prior Meetings**

MOVED: By Ms. Miller that the minutes of May 7, 2018 be approved as distributed. Mr. Lunetta seconded the motion. The motion was approved by a vote of 7-0. (Ms. Smith-Fachetti has not yet arrived.)

**Reserve Fund Transfer Requests**

Snow and Ice

Mr. Davison stated that the FY18 spending for snow and ice removal was \$1,296,983, a higher total than the past two years. This amount is \$884,863 above the current budget.

MOVED: By Mr. Connelly that the Finance Committee approve of the request to transfer \$884,863 from the Reserve Fund to budget line 24D, Snow and Ice. Ms. Miller seconded the motion. The motion was approved by a vote of 7-0. (Ms. Smith-Fachetti has not yet arrived.)

Legal Department

Mr. Davison stated that the request includes funds for legal service already incurred as well some anticipated costs for the remainder of the fiscal year. The request is for \$45,260 to cover the rest of the fiscal year. He stated that this budget varies from year to year, and that last year, the department had a budget shortfall of \$103K, while the year before was \$20K short, and the year before that was \$100K short. Mr. Reilly asked why there were additional costs related to Rosemary. Mr. Davison stated that they funds were needed for the Rosemary water quality issue

in which a homeowner has challenged the right of the Town to use the water. Mr. Connelly asked about the DEP issue at Rosemary. Mr. Davison stated that there are two separate issues at Rosemary, one regarding the Town's water permit and the water use restrictions, and another issue relating to a citizen complaint about water quality. Mr. Connelly asked how the legal costs were determined. Mr. Davison stated that he looked through the department expenses and looked at nonstandard costs greater than \$5K. He stated that there are fewer such issues than last year.

MOVED: By Mr. Connelly that the Finance Committee approve of the request to transfer \$45,260 from the Reserve Fund to budget line 12B, Legal Department. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

### **Election of Officers for Fiscal Year 2019**

Mr. Reilly nominated Mr. Coffman to be the Finance Committee Chair for fiscal year 2019. Mr. Connelly seconded the nomination.

VOTE: Mr. Coffman was confirmed as Chair by a vote of 7-0-1, with Mr. Coffman abstaining.

Mr. Coffman assumed the role of Chair, and thanked Mr. Reilly for his year of leadership. He then nominated Mr. Jacob to be the Finance Committee Vice Chair for fiscal year 2019. Mr. Reilly seconded the motion.

VOTE: Mr. Jacob was confirmed as vice Chair by a vote of 7-0-1, with Mr. Jacob abstaining.

### **School Department FY18 End-of-Year Projection**

Mr. Coffman stated that he met with Dr. Gutekanst and Ms. Gulati and two School Committee members, Aaron Pressman and Michael Greis, to discuss the School Department's year-end budget. Dr. Gutekanst stated that there are some areas of FY18 budget surplus, so they provided a plan to balance the budget. There are two areas of need for FY19 that have arisen since the budget was first drafted in November 2017, and he will propose some changes to the School Committee. There are additional Special Education needs, as well as staffing needs due to enrollment changes. Broadmeadow School has higher than expected enrollment, and will need an additional classroom teacher to meet guidelines. The additional staff will add a section and bring the classes to approximately 18-19 students per section. There will also be six new 5<sup>th</sup> graders at the Eliot School, also requiring additional staff. Both new positions will be created for one year only, and then be added to the FY20 budget and vetted through the budget process if the need continues. He stated that there is also a need for \$41K for additional phone lines for the new digital phone system. He expects that ultimately, the new system will lead to some cost savings. The phones have been moved from the Public Facilities budget to the School Department, including fax and phone lines. The elevator emergency phone and fire alarms are still within Public Facilities.

Mr. Reilly asked about the legality of using FY18 funds for FY19 salaries. Mr. Davison stated that the School Department can pre-pay SPED tuitions with FY 18 funds, which will free up

funds for the salaries in the FY19 budget. Ms. Gulati stated that there are two types of expenses for which the Schools can pre-pay expenses for the following year: up to three months of SPED tuition, and any expense for a collaborative. Ms. Smith-Fachetti asked if there was a discount for prepayment. Ms. Gulati stated that there was not a discount, but that there is not risk because the money would be returned if the student does not attend the school. However, the School Department would lose the prepayment benefit. Ms. Gulati stated that they will use salary savings to prepay \$608K. Ms. Gulati stated that funds in the Circuit Breaker account can roll forward, so the Circuit Breaker funds refunded from FY18 into the account will roll over and be used in FY19, which has the same effect as pre-paying. Ms. Gulati stated that some of the expenses will be spent this year, such as the purchase of a new IT van and a labor settlement, while some will be used next year, such as additional staffing. Ms. Miller asked why the van is needed. Dr. Gutekanst stated that the van is needed for the techs and aides who drive equipment around and currently use their own personal vehicles. He stated that they negotiated to add the van, and that it will also be used for transporting mail and food. He stated that the School Department does not have delivery vehicles.

Mr. Connelly asked if the additional 1.6 FTE would be new hires, or addition hours for existing staff. Dr. Gutekanst stated that they will hire two new people, 1 FTE and 0.5 FTE, both benefit eligible. One other person will be increased by 0.1 FTE for Fine and Performing Arts. That person already has a benefitted part-time position, so there will be no additional benefits. He stated that he expects that the additional 5<sup>th</sup> grade teacher at Eliot would not be needed more than one year. Mr. Levy asked if there would need to be an additional 6th grade teacher in FY20 due to the additional students entering Eliot in FY19. Dr. Gutekanst stated that that would not be needed since the 6<sup>th</sup> grade is structured differently. Mr. Connelly asked about additional funds for HR. Dr. Gutekanst stated that Tom Campbell is retiring. There will be a new Assistant Superintendent, and consultants who will be brought in for transition planning. Ms. Gulati stated that there will also be additional funds for permanent substitutes.

### **Updates:**

Mr. Coffman stated that the Town Manager is looking for two volunteers from the Committee for the Needham 2025 Working Group to look at long range planning. Mr. Connelly volunteered. Mr. Reilly stated that he would join the meeting for one year.

### **Adjourn**

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, as there was no further business. Mr. Jacob seconded the motion. The motion was approved by a vote of 8-0, at approximately 7:10 p.m.

Documents: Request for Reserve Fund Transfer to the Legal Department dated June 13, 2018;  
Request for Reserve Fund Transfer to the Snow and Ice budget dated June 13, 2018;  
Memorandum from Anne Gulati, Assistant Superintendent for Finance & Operations to Needham School Committee re: FY19 End of Year Planning, dated May 30, 2018;  
Supplementary Information regarding School Department end-of-year planning.

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved September 12, 2018*